

# INFORMATION REPORT

CD NO.

COUNTRY East Germany

DATE DISTR. 25 December 1954

SUBJECT Conversion of East German Industries to War  
Production and their Failure to Meet 1942  
Production Quotas

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1. It was learned that the East German industry would not be able to cope with the difficulties involved in the organization of a national army. Decrees by the Politbureau of the SED, the East German Government and the various ministries could not always be carried out because frequently they were only theoretical. In several cases the decrees were contradictory and caused confusion among the agencies charged with executing them. Considerable disturbance in the East German economy must therefore be expected, particularly since there will probably be some changes in key industrial personnel on charges of failure to execute their assignments. \*
2. East German industries which will not fulfill the 1952 Economic Plan quotas include the heavy machine construction industry, because of material shortages; the industry for the construction of power generating equipment, because of material shortages and difficulties in designs; the shipbuilding industry, because of material shortages, particularly heavy plates; and the machine building industry, because of rolled products of poor quality and faulty designs which have hindered the construction of Diesel motors for ships, heavy duty lathes, and special large size milling machines. East German industries which are likely to fulfill or even exceed the production plans are the mining industry, the industry for basic chemicals, and the textile and leather industries.

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Comment. Information on preparations by the State Planning Commission for converting East German industry to armament production was previously reported.

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